Enkei Automotive Co Ltd & Ors v Bright Rims Manufacturing Sdn Bhd & Ors

HIGH COURT (KUALA LUMPUR) — ORIGINATING MOTION NO D3-25-23 OF 1995
ARIFIN JAKA J
29 AUGUST 1998

Trade Marks *— Registered trade mark — Rectification — Application for rectification of the register — Second respondent registered owner of trade mark — Trade mark assigned to first respondent — Applicants argued they would suffer substantial damage — Whether applicants had locus standi by being 'persons aggrieved' — Trade Marks Act 1976 s 45*

The second respondent — the registered owner of Trade Mark No 87/06102 ('the trade mark') — had obtained a trade description order ('the TDO') against the applicants. The applicants later obtained an order to set aside the TDO. The court subsequently ordered that an inquiry be held before the senior assistant registrar to determine the damages suffered by the applicants arising out of the TDO and that the second respondent do pay the amount found due in the inquiry. The trade mark was then registered in the name of the first respondent by virtue of an assignment. The applicants objected to the registration of the trade mark in the name of the first respondent and applied for the rectification of the register. The applicants argued that they were 'persons aggrieved' under s 45 of the Trade Marks Act 1976 as they would suffer substantial damage if the trade mark remained in the register in the name of the first respondent as the applicants' entitlement to damages and cost against the second respondent pursuant to the order of inquiry would be totally defeated. The issue before the court was, inter alia, whether the applicants in their capacity as judgment creditors, can be said to be 'persons aggrieved' under s 45.

Held, dismissing the application:

The court has a discretion under s 45 of the Trade Marks Act 1976 on the application of any 'person aggrieved' to rectify the register. The expression 'person aggrieved' should not be extended to include creditors such as the applicants in the instant case. The legal rights of an applicant that would be affected or limited should be confined to rights which he could lawfully do in his business in relation to his trade marks, but for the existence of the entry in the register. Although the applicants herein were complaining that the existence of the entry in the register in respect of the trade mark registered in the name of the first respondent would defeat their claim in respect of damages and costs against the second respondent, in the circumstances, the applicants were not 'persons aggrieved'. To conclude otherwise would be stretching too far the limit that should be placed on the expression. As the applicants were not 'persons aggrieved', it followed that they had no locus standi to apply for the rectification of the register (see pp 479F–I and 480A).

A [**Bahasa Malaysia summary**

Penentang kedua — pemilik berdaftar Tanda Niaga No 87/06102 ('tanda niaga tersebut') — telah memperolehi suatu perintah perihal dagangan ('PPD') terhadap pemohon-pemohon. Pemohon-pemohon kemudiannya memperolehi suatu perintah untuk mengetepikan PPD. Mahkamah kemudiannya memerintahkan supaya suatu siasatan diadakan di hadapan penolong kanan pendaftar untuk menentukan kerugian yang ditanggung oleh pemohon-pemohon yang berbangkit daripada PPD dan bahawa penentang kedua membayar amaun yang didapati harus dibayar di siasatan. Tanda niaga tersebut kemudiannya didaftarkan atas nama penentang pertama melalui penyerahhakan. Pemohon-pemohon membantah terhadap pendaftaran tanda niaga tersebut atas nama penentang pertama dan memohon untuk pembetulan daftar. Pemohon-pemohon menghujahkan bahawa mereka adalah 'persons aggrieved' di bawah s 45 Akta Cap Dagangan 1976 ('Akta tersebut') kerana mereka akan menanggung kerugian yang amat besar sekiranya tanda niaga tersebut tetap kekal dalam daftar atas nama penentang pertama oleh kerana hak pemohon-pemohon kepada ganti rugi dan kos terhadap penentang kedua menurut perintah siasatan akan tertewas. Isu di hadapan mahkamah adalah, antara lain, sama ada pemohon-pemohon dalam keupayaan mereka sebagai si piutang penghakiman bolehlah dikatakan sebagai 'persons aggrieved' di bawah s 45.

Diputuskan, menolak permohonan:

Mahkamah mempunyai budi bicara di bawah s 45 Akta tersebut atas permohonan mana-mana 'person aggrieved' untuk membetulkan daftar. Ungkapan 'person aggrieved' tidak patut dilanjutkan untuk termasuk si piutang seperti pemohon-pemohon dalam kes ini. Hak sah seseorang pemohon yang akan terjejas atau terhad haruslah dibataskan kepada hak yang ia boleh lakukan dengan sahnya dalam perniagaan berhubung dengan tanda niaganya, melainkan akibat kewujudan kemasukan dalam daftar. Walaupun pemohon-pemohon di sini mengadu bahawa kewujudan kemasukan dalam daftar berkenaan dengan tanda niaga yang didaftarkan atas nama penentang pertama akan menewaskan tuntutan mereka berkaitan dengan ganti rugi dan kos terhadap penentang kedua, dalam keadaan begini, pemohon-pemohon bukanlah 'persons aggrieved'. Untuk membuat kesimpulan sebaliknya akan melampaui had yang harus diletakkan pada ungkapan itu. Oleh kerana pemohon-pemohon bukanlah 'persons aggrieved', ini bermakna bahawa mereka tidak mempunyai locus standi untuk memohon pembetulan daftar (lihat ms 479F–I dan 480A).]

Notes

For cases on rectification, see 12 *Mallal's Digest* (1996 Reissue) paras 1276–1279.

Cases referred to

Ng Hee Thong & Anor v Public Bank Bhd [1995] 1 MLJ 281 (refd)
Powell's Trade Mark, Re (1894) RPC 4 (refd)
Ritz Hotel Ltd v Charles of the Ritz Ltd & Anor (1989) AIPC 90–546 (refd)
United Malayan Banking Corp Bhd v Palm & Vegetable Oils (M) Sdn Bhd & Ors [1983] 1 MLJ 206 (distd)

Legislation referred to

English Patents Act 1983 s 90 [UK]
Trade Descriptions Act 1972 s 16
Trade Marks Act 1976 ss 45(1)(a), 55(5)

K Nayagam (*FL Tai* with him) (*Skrine & Co*) for the applicants.
Philip Choong (*YF Hiu* with him) (*Philip Choong & Co*) for the respondents.

Arifin Jaka J: By this notice of motion the applicants are seeking for the following reliefs:

(1) a declaration that the assignment of a trade mark No 87/06102 by the second respondent to the first respondent is an assignment made otherwise than in connection with the goodwill of the business;

(2) a declaration that the assignment of the trade mark shall not be deemed to have taken effect;

(3) a declaration that the registration of the trade mark in the name of Bright Rims Manufacturing Sdn Bhd is an entry made in the Register of Trade Marks without sufficient cause or an entry wrongfully remaining in the register;

(4) a declaration that the trade mark No 87/06102 remains in the name of Alloy Automotive Sdn Bhd;

(5) an order that the Register of Trade Marks be rectified by expunging Bright Rims Manufacturing Sdn Bhd as the registered proprietor and replacing Alloy Automotive Sdn Bhd as the registered proprietor;

(6) an order that the Registrar of Trade Marks do rectify the register accordingly;

(7) an order that the respondents do pay the cost of and incidental to this application; and

(8) such further or other relief as this honourable court deems fit.

At the end of the hearing, I dismissed the application and ordered the applicants to pay costs. I now give my reasons.

The following facts are established from the affidavits filed on behalf of both parties. The second respondent, Alloy Automotive Sdn Bhd, obtained a trade description order ('the TDO') on 30 January 1995 pursuant to s 16 of the Trade Descriptions Act 1972 whereby the trade mark 'ENKEI' used on any alloy wheels not under the licence or authority

of the second respondent shall for the purpose of the Trade Descriptions Act 1972 be deemed a false trade description.

Subsequently, the applicants herein applied for and obtained an order on 22 February 1995 to set aside the TDO. Later, by another order of court dated 12 May 1995, as admitted by the second defendant in para 3.1 of Liew Choo's affidavit (encl 9), it was ordered that an inquiry be held before the senior assistant registrar to determine the damages suffered by the applicants arising out of the TDO and that the second respondent do pay the applicants the amount found due in the inquiry and the costs of that application.

The second respondent was the registered owner of the trade mark No 87/06102 'JRD' ('the said trade mark') as from 22 December 1987. The said trade mark which is the trade mark in question in this application was subsequently registered in the name of the first respondent, Bright Rims Manufacturing Sdn Bhd as from 2 March 1995 by virtue of an assignment of even date.

The applicants took objection to the registration of the said trade mark in the name of the first respondent. The substantive relief claimed in this motion is the rectification of the trade marks register in respect of the said trade mark by removing the first respondent as the registered proprietor of the said mark and substituting the second respondent as the registered proprietor. Learned counsel for the applicants submitted that the application is based upon the ground that the assignment of 2 March 1995 of the said trade mark from the second respondent to the first respondent is invalid for non compliance of s 55(5) of the Trade Marks Act 1976. It was also contended by learned counsel that the second respondent had purportedly assigned the said trade mark with goodwill to defeat the applicants' claim for damages against the second respondent pursuant to the court order dated 12 May 1995.

To my mind, the question whether the assignment of the said trade mark is valid or otherwise is a secondary question in the circumstances of the case. The pivotal question that has to be answered before deciding on the issue of the validity of the assignment is whether the applicants have the locus standi to apply for the rectification of the trade marks register. The question whether the applicants can claim that they are entitled to ask for the rectification of the register calls for the consideration whether the applicants come within the category of a 'person aggrieved' within the meaning of s 45(1)(a) of the Trade Marks Act 1976. For ease of reference, s 45(1)(a) is hereby reproduced:

> Subject to the provisions of this Act —
>
> (a) the Court may on the application in the prescribed manner of any person aggrieved by the non insertion in or omission from the Register of any entry or by any entry made in the Register without sufficient cause or by any entry wrongfully remaining in the Register, or by any error or defect in any entry in the Register, make such order for making, expunging or varying such entry as it thinks fit; ... .

The contention of the applicants is that they are persons aggrieved under s 45 as they would suffer substantial damage if the said mark remained in the register in the name of the first respondent as the applicants' entitlement to damages and costs against the second respondent pursuants to the order dated 12 May 1995 will be totally defeated.

Learned counsel for the first and second respondents raised the point that the applicants had not adduced evidence to support their contention that the court has awarded damages and costs in their favour against the first and second respondents. It was contended that the affidavit in support of the application does not provide for particulars of the suit or notice of motion under which the various orders relied upon by the applicants as the basis of their claim for damages and costs against the second respondent. On close examination of the affidavit of Hitoshi Suzuki (encl 1) filed in support of the application, it is clearly established that the court had ordered on 12 May 1995 that an inquiry be held before the senior assistant registrar that damages be assessed arising out of the order setting aside the TDO and the second respondent be ordered to pay such amount as would be found due upon such enquiry and costs. The affidavit filed by Liew Choo (encl 9) on behalf of the first and second respondents admitted that the applicants' application is based on the order of court in Notis Pemula No D2–25–21–1995 dated 22 February 1995 ie the order setting aside the TDO dated 30 January 1995 and the order of court dated 12 May 1995 ie the order that an inquiry be held before the senior assistant registrar. Based on the admission by Liew Choo in his affidavit, I find that there were no defects or omissions in the applicants' application. The case of *United Malayan Banking Corp Bhd v Palm & Vegetable Oils (M) Sdn Bhd & Ors* [1983] 1 MLJ 206 on the point that 'any defect or omission in the statement of claim cannot be made good by affidavit evidence' — per Raja Azlan Shah Ag LP (as his Majesty then was) — does not apply in the instant case as there is no defect or omission in the plaintiff's application. Learned counsel also relied on the case of *Ng Hee Thong & Anor v Public Bank Bhd* [1995] 1 MLJ 281 to support his contention that the submission of learned counsel for the applicants in saying that the applicants were entitled to damages and costs against the second respondent should be disregarded as learned counsel was giving evidence from the bar. I find that the submission of the applicant's learned counsel was based on facts as disclosed in the affidavit in support and admitted by the applicants as what I had stated earlier. This contention too is devoid of merits. I therefore rule that the applicants are in fact entitled to damages to be assessed by the senior assistant registrar.

I shall now deliberate on the important question on whether the applicants are 'persons aggrieved' as they claim. It is apparent that the applicants are making their claim in their capacity as a creditor of the second respondent. Can they be said to be persons aggrieved under s 45(a)? I must say that no authorities were cited before me by counsels of either party to assist me decide on this issue. I must also confess that I have a lot of anxiety in deciding this issue and I fail in my research to find authorities directly on this point.

A The term 'person aggrieved' is not defined in the Trade Marks Act 1976. Assistance has to be sought elsewhere that is in cases where the court had interpreted this term. The legendary decision of the House of Lords in the case of *Re Powell's Trade Mark* (1894) RPC 4 is regarded as the leading authority on the interpretation of 'persons aggrieved'. The House of Lords considered the meaning of the expression 'persons B aggrieved' under s 90 of the English Patents Act 1983 which is similar to s 45(1)(a) of our Trade Marks Act 1976. Lord Herschell (Lord Chancellor) at p 7 has this to say:

> The courts below have held that they are 'persons aggrieved'. My Lords, I should be very unwilling unduly to limit the construction to be placed C upon these words; because, although they were no doubt inserted to prevent officious interference by those who had no interest at all in the register being correct, and to exclude a mere common informer, it is undoubtedly of public interest that they should not be unduly limited, in as much as it is a public mischief that there should remain upon the register a mark which ought not to be there, and by which many persons may be affected, who, D nevertheless, would not be willing to enter upon the risk and expense of litigation.
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> Wherever it can be shown that the applicant is in the same trade as the person who has registered the trade mark, and wherever the trade mark, if remaining on the register, would, or might, limit the legal rights of the applicant, so by reason of the existence of the entry on the register he could E not lawfully do that which, but for the existence of the mark upon the register, he could lawfully do, it appears to me he has a locus standi to be heard as a person aggrieved.

In the instant application, the applicants are judgment creditors and in that capacity they claim that they are persons aggrieved under s 45 of the F Trade Marks Act 1976. It seems clear to me that the court has a discretion under s 45 on the application of any 'person aggrieved' to rectify the register and that the expression 'person aggrieved' has no special or technical meaning and is to be liberally construed (see *Ritz Hotel Ltd v Charles of the Ritz Ltd & Anor* (1989) AIPC 90–546) and that there should not be a limit G placed upon the construction of the expression (*Re Powell's Trade Mark*). The question is whether the applicants can be considered as 'persons aggrieved' so as to enable them to make this application. Although I accept that there should not be a limit to be placed upon the construction of the expression, I am of the view that the expression should not be extended to include creditors (as the applicants are in this instant case). The legal H rights of an applicant that would be affected or limited should be confined, in my opinion, to rights which he could lawfully do in his business in relation to his trade marks, but for the existence of the entry in the register. The applicants herein are complaining that the existence of the entry in the register in respect of the said trade mark registered in the name of the first respondent would defeat their claim in respect of damages and costs I against the second respondent. I am of the view that they are not a 'person aggrieved' in the circumstances and facts of this case. To conclude otherwise would be stretching too far the limit that should be placed on the expression. As the applicants are not 'persons aggrieved', it follows that they have no

locus standi to apply for the rectification of the register. In view of this finding, it is not necessary for me to consider the relief for the declarations prayed for.

For the reasons stated above, I dismissed the applicants' claim with costs.

Application dismissed.

Reported by Jafisah Jaafar